



OPERATIONS SUPPORT SERVICES DIVISION

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September 30, 2005

Sent: Via e-mail and overnight courier

TO: ALL QUALIFIED BUSINESS PARTNERS

FROM: CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

SUBJECT: ADDENDUM NO. 3
REQUEST FOR PROPOSAL NO. 2004-3494
COMET - PENSION SYSTEM RESUMPTION PROJECT

Addendum Number 3 shall be incorporated into the Request for Proposal (RFP) documents. The following revisions have been made to the RFP:

Section	Revised Language
Schedule of Events	Schedule of Events revised to remove "Demonstrations Begin"
V.B.1	Added subparagraph (d) as follows: (d) A statement expressing that all personnel assigned to the PSR Project, including those working off-site or off-shore, will submit a signed Confidentiality Statement.
V.B.9	Replaced "Statement of Work" paragraph in its entirety with "Project Reference" as follows: The purpose of the project reference is to provide CalPERS the ability to verify the claims made in the proposal by the QBP and to assess the functionality of the product(s)/solution proposed. The descriptions of these projects must be detailed and comprehensive enough to permit CalPERS to assess the similarity of those projects to the work anticipated in the execution of the contract resulting from this procurement. The descriptions must contain performance measurements used during and after the course of those projects to determine the efficiency and effectiveness of the product(s)/solution. In today's environment, this reference information is essential to assess the potential for risk. During the evaluation and selection process, CalPERS will contact the specified "references" and may contact any other customers or references, which may become known to CalPERS through any source. If the QBP's solution is selected, CalPERS may change the specific risk mitigation contract provisions for the QBP based on the solution itself. These will be discussed with the QBP and will be finalized during the finalization of the contract Riders.

Section	Revised Language
V.B.9	<p>Proposal Item 10 – Replaced in its entirety with:</p> <p>QBP's must submit at least one completed Project Reference Form (Attachment V.5) for the proposed product(s)/solution.</p>
V.B.11	<p>Narrative paragraph – Revised to read as follows:</p> <p>The QBP and any of their subcontractors engaged in providing services to CalPERS pertaining to the PSR Project that require contact with confidential CalPERS information or access to confidential systems, will be required to exercise security precautions for such data that is made available and must accept full legal responsibility for the protection of this confidential information. This includes all financial, statistical, personal, technical, and/or other data and information relating to CalPERS operations. All QBP staff working on this project, whether on-site or at another location approved by CalPERS, will be required to sign a Confidentiality Statement. Under no circumstances shall the QBP use, publish, sell, or otherwise disclose to any third parties the contents of any records or data submitted for processing.</p>
V.B.11	<p>Proposal Item 12 – Revised to read as follows:</p> <p>QBP's Proposal must indicate if any PSR Project activities are to be performed off-site or off-shore and, if so, which activities, how they will be managed and coordinated with the PSR Project Team at the CalPERS location, and how confidentiality will be maintained. If off-site or off-shore activities are proposed, any project staff at the Team Lead level and higher must be onsite at CalPERS. QBP's Proposal must contain a statement certifying that all personnel assigned to the PSR Project, including those working off site or off shore, will submit a signed Confidentiality statement. If no work is proposed to be performed off-site or off-shore, "Not Applicable" should be entered in response to this Proposal Item.</p>
V.C.1	<p>First narrative Paragraph – Revised to read as follows:</p> <p>The QBP Project Management Plan (PMP) will be the controlling document for managing the PSR Project and must include activities for CalPERS staff as well as QBP staff resources. An Initial PMP must be provided that is specific to the Initiation Phase (refer to Section VII.B Payment Terms). The QBP must use its PMP to define the technical and managerial project functions, activities, tasks, and schedules necessary to satisfy the project requirements. The PMP is intended to define the project and identify the level^{ed} of resources required thus providing the "baseline" for the change control process to gauge all future development activities, and for change requests. The PMP will be used to track the achievement of major project milestones and provide the basis for ongoing project communications.</p>
V.C.1	<p>Fourth narrative Paragraph – Revised to read as follows:</p> <p>The QBP will staff and support the PSR Project Office for the implementation. The PMP schedule and updates must be made at least weekly. The QBP must plan for these management activities. The QBP Project Manager must provide a documented process for ongoing updates to the PMP.</p>

Section	Revised Language
V.C.1	<p>Proposal Item 16 – Revised to read as follows:</p> <p>The QBP must provide a draft <u>Project Schedule</u> including Work Breakdown Structure using the most recent version of Primavera IT Project Office or comparable tool. CalPERS will consider project management tools other than Primavera if the QBP can clearly demonstrate that the tool and supporting methodology are comparable to the Primavera toolset and meet CalPERS project management needs, and contains a method for addressing unanticipated tasks. There will be a schedule for the Initiation Phase (1) and another for the remainder of the project.</p>
V.C.1	<p>Proposal Item 22 – Replace in its entirety with:</p> <p>The QBP's Proposal must contain a detailed description of the proposed format and tools which would be used to deliver a completed Requirements Traceability Matrix and Gap Analysis as specified in Section II, Rider I, Subtasks 1.7 and 1.8.</p>
V.C.6	<p>Proposal Item 33 – Revised to read as follows:</p> <p>The QBP must provide CalPERS with four (4) hardcopies and two (2) CDs or other electronic form (not in PDF format) of the new solution documentation and grant CalPERS an unrestricted royalty to modify or produce as many copies of the following complete and detailed system documentation of the CalPERS installation to include<u>The QBP must provide sample documentation to include, at a minimum, the following:</u></p> <ul style="list-style-type: none"> (i) System Operations Documentation; (ii) System Technical Documentation; (iii) System End User's Documentation; (iv) Help Desk Documentation; (v) System Technical Schematics; (vi) System Data Dictionary; (vii) As-Built Documentation of All Configuration, Modification, or Programming; (viii) System Back-up and Recovery Documentation; (ix) Hardware Documentation; and, (x) System Maintenance Documentation.
V.G.1	<p>Technical Requirement 36 - Revised to read as follows:</p> <p>The proposed solution must provide <u>auditing</u> service capabilities with respect to security, performance, and availability requirements.</p>

Section	Revised Language
VII.A	<p>Add new third paragraph to read as follows:</p> <p>The Payment Terms in RFP Section VII.B and Cost Table VII.14 are the CalPERS preferred approach. However, CalPERS will allow QBPs to propose a compensation approach tailored to their proposed solution. CalPERS will evaluate a QBP's compensation approach against the preferred CalPERS model and weight the cost points based on the proposed approach against CalPERS risk.</p>
VII.B	<p>Title Revised to read as follows:</p> <p>CalPERS Preferred Approach for Payment Terms</p>
VII.F	<p>Cost Table VII.14 – First paragraph revised to read as follows:</p> <p>Enter only those costs that apply specifically to Contracts, Enrollment, Contribution Reporting, Benefit Payments, Health, or General System requirements and the deliverables specified in the Payment Terms in Section VII.B. If the QBP is proposing alternate payment terms, the cost table should be altered accordingly.</p>
X	<p>First Paragraph – Revised to read as follows:</p> <p>Proposed solution demonstrations give the California Public Employees' Retirement System (CalPERS) the ability to verify the Qualified Business Partner's (QBP's) claims in response to Section V – Administrative and Technical Requirements and Section VI – Business Requirements of this Request for Proposal (RFP). The proposed solution demonstration validates the proposal and provides confirmation that the solution proposed, including hardware and software, operates as presented by the QBP. After submission of Initial Draft Proposals, CalPERS reserves the right to request a proposed solution demonstration of any QBP. CalPERS will notify QBPs in writing of the specific requirements for proposed solution demonstration (such as when, where, and how the proposed solution demonstration will be conducted, and the scope and nature of the proposed solution demonstration).</p>
Glossary	<p>Add definition for "BAM":</p> <p>Business Activity Monitoring – A process giving visibility into the running business process.</p>

The enclosed CD-ROM incorporates language changes made in previous Addenda and reflects revisions to the RFP language as listed above. Additionally, the enclosed PSR Reference Library CD-ROM provides additional information. We appreciate your interest in our Project and look forward to your continued participation in the procurement process.

Sincerely,

Original Signed By:

Charleen Maxwell
Contracts Administrator
Contracts Management Section

Enclosure: CD-ROMs